



County of Los Angeles Public Library ■ www.colapublib.org
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Margaret Donnellan Todd
County Librarian
January 18, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#45-A JANUARY 18, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**TERMINATE FOR DEFAULT
TWO CUSTODIAL CONTRACTS
CONTRACT NOS. 76130 AND 76132
(SUPERVISORIAL DISTRICTS 1, 4 AND 5) (3 VOTES)**

SUBJECT

Terminate for default two custodial contracts for services at the Public Library Headquarters facility and at 13 libraries located in the Public Library's Custodial Area 8, previously awarded by the Board of Supervisors (Board) to Matrix Building Maintenance, Inc., dba MBM Professional Janitorial Services (MBM) due to a material breach of the contracts, and delegate authority to the County Librarian to add these facilities into existing agreements with another contractor providing similar custodial services to the Public Library pending the completion of a solicitation.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Terminate for default Contract No. 76130 with Matrix Building Maintenance, Inc., dba MBM Professional Janitorial Services for custodial services at 13 library facilities located in the Public Library's Custodial Services Area 8, as detailed in Attachment A, due to a material breach of contract, effective upon the Board of Supervisors' approval.
2. Terminate for default Contract No. 76132 with Matrix Building Maintenance, Inc., dba MBM Professional Janitorial Services for custodial services at the Public Library Headquarters facility, due

to a material breach of contract, effective upon the Board of Supervisors' approval.

3. Approve and delegate authority to the County Librarian, or her designee, to execute an amendment to add the Public Library Headquarters facility into Contract No. 77250, previously awarded by the Board of Supervisors to Diamond Contract Services, Inc., under the terms and conditions of such contract, on a month-to-month basis, for a period not to exceed twelve (12) months, or until a contract is awarded to a new contractor, whichever is earlier, and to increase the annual contract amount not to exceed \$110,000, based on preliminary estimates from Diamond Contract Services, Inc., to cover the annual cost of interim custodial services at the Public Library Headquarters facility, including unanticipated costs which shall not exceed 10% of the annual contractor's fee.
4. Approve and delegate authority to the County Librarian, or her designee, to execute an amendment to add 13 libraries located in the Public Library's Custodial Area 8 into Contract No. 77231, previously awarded by the Board of Supervisors to Diamond Contract Services, Inc., under the terms and conditions of such contract, on a month-to-month basis, for a period not to exceed twelve (12) months, or until a contract is awarded to a new contractor, whichever is earlier, and to increase the annual contract amount not to exceed \$382,000, based on preliminary estimates from Diamond Contract Services, Inc., to cover the annual cost of interim custodial services at the 13 libraries, including unanticipated costs which shall not exceed 10% of the annual contractor's fee.
5. Approve and delegate authority to County Librarian, or her designee, to determine the excess costs incurred by the County to procure replacement custodial services similar to the terminated services, and exercise the County's right to pursue all contractual remedies as set forth in Paragraph 8.43 of the terminated contracts.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will terminate for default two (2) contracts with MBM for custodial services at 13 libraries in the Public Library's Custodial Area 8 (Contract No. 76130) and the Public Library Headquarters facility (Contract No. 76132), due to a material breach of the contracts. These contract terminations will be effective upon your Board's approval.

The two contracts with MBM were approved by the Board on June 5, 2007. Contract No. 76130, which is now on its first option year, was for a period of three (3) years with options to extend the contract for up to two (2) one-year extensions and six (6) month-to-month extensions and the current annual contract sum is \$287,227.78. Contract No. 76132, which is now on its fourth year, was for a period of four (4) years with options to extend the contract for up to one (1) one-year extension and six (6) month-to-month extensions and the current annual contract sum is \$84,661.85. Both contracts would have expired on June 20, 2011 since both the Public Library and MBM have mutually agreed to not extend the contract term for the remaining option year.

On January 12, 2011, MBM verbally notified the Public Library that MBM is terminating operations effective immediately, and therefore, would no longer perform the services agreed in both contracts beginning on the that same day.

The Public Library's written responses to MBM dated, January 12 and 13, 2011, stated that as a result of such failure by MBM to continue to honor both contracts, the Public Library will take appropriate actions to terminate these contracts for default, in accordance with Sub-section 8.43 of

both contracts. Under the terms and conditions of the contracts, if MBM was to default, MBM shall be liable for any and all excess costs incurred by the County, as determined by the County, for procuring similar services.

Your Board's approval of the recommended actions will also allow the Public Library to provide interim custodial services at the Public Library Headquarters and 13 libraries by adding these facilities into existing agreements with Diamond Contract Services Inc. (Diamond), on a month-to-month basis not to exceed 12 months or until a contract is awarded to a new contractor. Diamond is another contractor that provides similar custodial services to the Public Library under multiple agreements previously awarded by your Board. The terms of such agreements with Diamond allow the County to add library facilities at a rate not to exceed the cost to provide custodial services for similar sized library facilities being maintained.

Prior to your Board's approval of the recommended actions and the subsequent execution of contract amendments with Diamond, minimal custodial services at 13 County libraries and the Public Library Headquarters facility were provided by Public Library staff and Diamond using the Internal Services Department's purchasing authority.

The solicitation process for the replacement contracts has been underway due to the anticipated expiration of the existing contracts on June 20, 2011, as stated above. The Requests for Proposal (RFP) has a release date to the public on January 18, 2011.

Implementation of Strategic Plan Goals

Approval of the recommended award is consistent with the County's Strategic Plan Goals in the areas of Operational Effectiveness (1) and Community and Municipal Services (3).

FISCAL IMPACT/FINANCING

Based on preliminary estimates from Diamond, the annual cost of providing interim custodial services at the Public Library Headquarters is approximately \$110,000, and \$382,000 for the 13 libraries located in Custodial Area 8 for a total of \$492,000. This additional cost will be paid from existing funds included in the Public Library's Operating Budget.

As required by Proposition A, the Public Library anticipates that Diamond's annual contract fee is more economical than the County's cost (including start-up costs) to perform similar services for the first year. Prior to the execution of contract amendments with Diamond, cost analyses will be prepared using the Revised Proposition A Contract Cost Format developed by the County Auditor-Controller.

The cost to re-solicit the services will be minimal. The actual cost of the contracts will be known when the bids are received.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Funds owed to MBM for work performed before contract termination will be disbursed to MBM for substantiated charges invoiced by MBM; such charges will not exceed the agreed upon price schedules stated in the contract.

A notice of the Public Library's intent to seek Board of Supervisors approval to terminate both contracts for default was sent to MBM on January 12, 2011.

All documents related to these terminations have been approved as to form by County Counsel.

Each of the contracts with the Public Library provides that the County may terminate the contract for default if MBM has materially breached the contract.

Upon your Board's approval of the recommended actions, the amendments will require County Counsel's approval as to form prior to execution by the County Librarian.

ENVIRONMENTAL DOCUMENTATION

These actions are not subject to the California Environmental Quality Act (CEQA), because they do not constitute a project according to Section 15378 of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have minimal impact on library services to the public. Interim custodial services at the affected libraries will be provided by Diamond who is providing similar custodial services to the Public Library, and under the terms of its contracts with the County can add library facilities.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Margaret Donnellan Todd". The signature is fluid and cursive, with the first name "Margaret" being the most prominent.

MARGARET DONNELLAN TODD
County Librarian

MDT:YDR:MR:bf

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Internal Services Department

COUNTY OF LOS ANGELES PUBLIC LIBRARY
CONTRACTS WITH MBM PROFESSIONAL JANITORIAL SERVICES

1. Contract No. 76130 - Custodial Area 8 (13 libraries)

First District

Baldwin Park Library
La Puente Library
Sunkist Library
Walnut Library

Second District

None

Third District

None

Fourth District

Diamond Bar Library
Hacienda Heights Library
Rowland Heights Library

Fifth District

Charter Oak Library
Claremont Library
Duarte Library
La Verne Library
San Dimas Library
West Covina Library

2. Contract No. 76132- Library Headquarters